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UNCLAS HARARE 000928

SIPDIS

SENSITIVE

STATE FOR AF/S, AF/EX, HR/OE
NSC FOR SENIOR AFRICA DIRECTOR JFRAZER
USDOC FOR 2037 DIAMOND
LONDON FOR CGURNEY
PARIS FOR NEARY
NAIROBI FOR PFLAUMER
PASS USTR - PCOLEMAN, WJACKSON
RIO FOR WEISSMAN
TREASURY FOR ED BARBER AND C WILKINSON

E.O. 12958: DECL: N/A

TAGS: [ECON](#) [ETRD](#) [PREL](#) [PHUM](#) [ZI](#)

SUBJECT: PRESIDENT'S 2002 AGOA REPORT, ZIMBABWE
RESPONSE

REF: STATE 64055

SENSITIVE BUT UNCLASSIFIED, PLEASE PROTECT ACCORDINGLY.
NOT FOR INTERNET POSTING.

[1](#)1. (SBU) Per ref tel request we provide the following information:

== Zimbabwe is not currently an AGOA beneficiary and government behavior both before and since the recent presidential election continues to drastically reduce the prospect of it qualifying in the near and likely medium term, absent a change of government. In all four broad areas (market economy, rule of law, poverty reduction and human rights) Zimbabwe has been and looks set to continue backsliding. Serious threats to and attacks on an open-market economy based on respect for private property rights and the rule of law are sponsored and carried out by the GOZ. Politically-driven, disastrous, economic policies are still being pursued, causing disposable income, the formal job count and standards of living to fall precipitously.

== Examples of such policies are myriad and include: the illegal occupation, looting and seizure of commercial farms with government sanction and support; violence directed at opposition political party members and supporters; a fraudulent election; intimidation of the judiciary, independent press and labor movement; non-equal protection under the law; a blind eye turned to corruption and cronyism; price controls and a grossly undervalued official currency peg; circumvention of the mandated tender processes; the control of hard currency proceeds from exports, and threats by President Mugabe to seize or nationalize all non indigenous-owned commercial and productive assets in the country.

[1](#)2. (U) We have conducted no AGOA outreach training or programming, and though the private sector and many civil servants would like to see policies change so as to enjoy AGOA benefits, current conditions and the outlook remain far from even minimal compliance from either the spirit or letter of the legislation.

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